Problems impeding growth of manufacturing sector

1517. SHRI K. RAMA MOHANA RAO: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that the National Manufacturing Competitiveness Council unveiled a draft strategy to achieve a manufacturing sector growth of 12% so as to sustain higher GDP growth rate;

(b) whether the Council has identified the problems impeding the growth of the manufacturing sector; and

(c) if so, the details of the areas that have been identified for immediate corrective action?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) Yes, Sir.

(b) and (c) The Council has identified several factors that are impeding the growth of manufacturing sector. Some of them are as follows:

- Higher import duties including inverted duty structure
- Higher incidence of indirect taxes
- Sub-optimal levels of operations
- lower operational efficiencies
- higher transaction costs
- lower labour productivity
- higher cost of capital
- inadequate infrastructure

In order to be competitive the manufacturing industry will have to:

invest in R&D and technology,

have a continuing commitment to skills development & education,

> benchmark their performance against the best in class

> adopt best manufacturing practices & production techniques and deliver on globally acceptable quality levels.

Sub-sector-wise engagement to identify impediments for growth and suggest initiatives aimed at enabling growth and employment have also been carried out by NMCC through sub-group meetings in the following areas:

- Leather & Leather Goods
- Food Processing
- Textiles & Garments
- Auto components
- Capital Goods
- IT Hardware & Electronics
- Paper
- Chemicals & Petrochemicals
- Drugs & Pharmaceuticals.

Granite exports to China

1518. SHRIMATI VANGA GEETHA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether granite exports are gradually increasing from Prakasam District, Andhra Pradesh to China to construct the stadiums, sporting complexes, the Olympic Village and other commercial purposes for the Beijing Olympics in 2008;

(b) if so, the details of the exports so far;

(c) the income earned from these exports so far; and

(d) the likely income to be generated in future?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) to (d) Exports statistics for granite State-wise and district-wise are not centrally maintained.

Price Subsidy Scheme for small tea growers

1519.SHRI TARINI KANTA ROY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government has introduced a price subsidy scheme for small tea growers for a period of four-months;